
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Local Government Tax Control Board Meeting Minutes November 13, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Thursday, November 13, 2008 at 10:00 am. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were David Christian, Dan Jones, Mike Bozyski, Ken Giffin, John Stafford, Chuck McLean (Administrative Officer), and Tafrica L. Harewood (Interim Administrative Secretary).

Minutes and Discussion: Mr. Christian began the meeting by calling for any changes or corrections to the minutes. There were no minutes available for review, so Mr. Christian stated that we would postpone the approval of the minutes until the next meeting.

General Discussion: Mr. Christian asked all of those representing Units to be heard that day to sign-in.

Town of Fairland Shelby County *Initial Levy*

Summary: This unit recently discovered that they exist. They did the research necessary to demonstrate that they are indeed a civil town. They now wish to acquire a property tax levy to begin the work of rebirthing a functioning town.

Advertised: \$49,300.00
AV \$8,683,760

Present for the hearing: Rick Daily, President; Christine Brinson, Clerk-Treasurer; Jeremy Creech, Board Secretary.

Comments: Mr. Christian reviewed their situation and asked the Unit to introduce themselves and the details of their situation. Mr. Daily asked what they needed to tell the board as they were all there representing the Town, but were new the process of getting the levy passed and running the Town. Mr. Daily went on to explain that the Town's Board sat down and did some estimates on other towns their size to see what it would take to run the town. He said they knew that they would have general fund and casino money available and they wanted to keep the budget very low while they get a handle and feel for what the income and expenses would be. Mr. Daily also shared that

Shelby County realizes Fairland's unique situation and will allow them to take over responsibilities a little at a time. He said that the Commissioners, specifically David Moore, had been working with them, so that no service would be interrupted during the transition.

Mr. Christian asked Mr. Daily what the size of Fairland is. Mr. Daily replied the census size is 275 to 300 people; however they will be annexing so they will go to 700 to 750. Mr. Stafford asked if these annexations would be voluntary or involuntary. Mr. Daily said it would be voluntary. Mr. Jones asked why they reinstituted the town. Mr. Daily said that it was requested. The Township Trustee and County Assessor found information that the town had been incorporated and never dissolved, so according to the State statutes the County Chairman appointed a Town Board. He said that it was advertised and they asked for volunteers. Mr. Daily stated that the County Election Board chose not to dissolve the Town and appointed the Town Board, which included Mr. Creech and Ms. Brinson.

Mr. Stafford then asked about the police and fire functions and how those would be handled for the Town. Mr. Daily replied that the fire functions would be handled the same way; the Town of Fairland would just contract with the township and establish a levy to cover the cost of their services. He added that if the Township Trustee position is being eradicated, so the Town of Fairland should totally take over the administrative tasks associated with those services. He stated that this was one of the motivating factors behind reinstituting the Town. Mr. Daily said that the County Sheriff is handling police protection and Town Board sees no need to change that at this time. He said that unless there is some type of massive growth they will keep it as it is.

Mr. Christian clarified that the Town Board is asking for \$39,000 and that they advertised for \$49,000. Mr. McLean confirmed that the Department of Local Government Finance (DLGF) had received a copy of the advertisement and that that was the correct number.

Mr. Jones asked what services would be provided by the Town, which are not currently provided to its citizens. Mr. Daily responded that all services are currently being provided and that the Town will gradually take over fire, park, schools and water and sewer services. Mr. Daily indicated that the County is giving them assistance in the water and sewer service area as well. He reiterated that police protection will come from the County level. Mr. Giffin asked if they felt there was a need for a Town Marshal. Mr. Daily said they did not see a need for one at this time. He said the County Sheriff does not view the Town any differently than before.

Mr. Christian asked who is taking care of the parks right now. Mr. Daily replied that the Township Trustee is taking care of the parks right now. Mr. Christian then asked what happens to the existing funds that are being used for upkeep. Mr. Jones explained that if there is a park levy currently, those funds may be reduced. Mr. Daily replied that they are trying to be very conservative in what they are doing, so that any income that is lost will be offset by this request, other income, or reduced spending in other areas. Mr. Giffin asked if the boundaries of Township are significantly larger than those of the Town. Mr. Daily replied that they are.

Mr. Stafford asked if the majority of the citizens of the Township will eventually be moved into the Town. Mr. Daily replied that he would look for that to happen. The citizens want to be sure that the Town leadership will not go overboard in raising taxes.

Mr. Giffin asked what they are using for a town hall. Mr. Daily said that they are using a volunteer fire fighter area within the Fairland Fire Department. In the future they want to put back some money for a town hall. He said that the Fairland Fire Department is planning to build a new facility and use

part of the park. Mr. Daily said that that property will probably be split between the Fire Department and the Town. He added that they may take over the fire department's facility to use as a town hall once the Fairland Fire Department has built a new facility. He said the Town leadership was involved in negotiations on this.

Mr. Giffin asked where students go to high school. Mr. Daily replied that they go to school in Triton. Mr. Christian asked what they hope to gain in the future that they do not already have. Mr. McLean restated the question for the Town of Fairland leadership, asking what the citizenry will gain by resurrecting this Town. Mr. Creech replied that they would gain a voice for their people. Ms. Brinson stated that the Town of Fairland is within a few miles of the casino and the Town's people want to be heard in the process as the area grows. Mr. Daily added that there are a lot of failing sewers in that area, which the Township cannot handle. He stated that the reinstitution of the towns is benefiting multiple townships. Mr. Daily added that the school system also has a failing sewer system, and this was one of their main reasons for pursuing the resurrection of the Town.

Mr. Christian asked if the Town has a waste treatment facility. Mr. Daily said no. Mr. Stafford asked what the closest municipality is to their Town. Mr. Daily replied that it is Shelbyville, about 2 miles away. Mr. Stafford asked if there was any concern that Shelbyville might grow into the Fairland area since there is a lot of undeveloped land in the stretch of land between the two. Mr. Daily said that Shelbyville is annexing a lot of the land in Brandywine Township which has a lot of the citizens very concerned about the schools and the future tax base for the Township.

Mr. Stafford asked if they are in Brandywine. Mr. Daily stated that they are in Brandywine along with the casino and race track, etc., which are all under development on that side of the interstate. Mr. Christian asked how much say so they would have over the casino. Mr. Daily stated that immediately, as an incorporated town, Fairland would get a cut of the funds, which go to the incorporated Towns and the County.

Mr. Christian asked how much of a cut. Mr. Daily stated that it depends on their size, so they don't know yet. Mr. Daily estimated about \$3,000 a month. Mr. Giffin asked if the establishment of the Town will decrease the amount that Shelby gets. Mr. Daily replied yes, but it would give folks from the Fairland area a say-so on how the money is spent.

Mr. Giffin acknowledged the support of the current County government as evidenced by the fact that they are allowing Fairland to piecemeal their services. Mr. Daily concurred and stated that they have been excellent. Mr. Christian asked if the Town had a budget set up. Mr. Daily replied that they have a budget of \$49,000. Mr. Christian asked if that was going to be enough for parks, fire, water and sewer. Mr. Daily said that to get started they need to look at road mileage and estimates on population before they can do a more complete budget. Mr. Daily stated that they are going to get funding in July on some of these other issues and that they would not take on responsibilities that they cannot pay for. Mr. Daily stated that they are trying to be very careful so that they do not affect the County budget, while they are getting settled.

Mr. Jones stated that they would receive motor vehicle highway funds and other funds the Town will be eligible for depending on population and road mileage, of which they may not be aware. of which they may not be aware. He suggested to the Fairland leadership that they contact the Indiana Commission of Cities and Towns to get some guidance. Mr. Jones also referenced a comment made by Mr. Daily concerning the annexation of another area and noted that there are additional responsibilities that come along with that when the population gets to a certain point. Mr. Daily

stated that they are setting up the Town to run as a town of 750, so that they do not have to redo some of these processes later as they get closer to that number. Mr. Creech stated that he spoke with the Indiana Department of Transportation (INDOT), and he has turned in the estimates and they will be credited for those as of June 1. He said that as soon as those monies are available the responsibilities to which Mr. Jones referred, are things for which the Town of Fairland must start taking responsibility.

Mr. Giffin suggested that they be in contact with their state legislatures because they can be of help to them. Mr. Daily commented that Sean Eberhart had been very helpful in getting entities to recognize Fairland as a town. Mr. Stafford asked about the public hearing held October 28, 2008, where they presented an increase of 52 cents. Mr. Stafford wanted to know what the response was to that. Mr. Daily replied that the folks attending numbered from 12 to 17 people. The citizens wanted to have the leadership take a look at other towns their size and when they met with Linda Lessaris, she indicated that there were towns in the range of 16 to 17 cents. Mr. Daily asserted that final number for the tax rate would be lower than 52 cents. He said that it did not seem that the people realized what the figure represented. He said they did not get any response one way or the other, negative or positive.

Mr. Stafford clarified with the Town leadership that they would not take over responsibilities for the school district. Mr. Daily confirmed that they would not, but they are in very close contact over the repair of the sewer system. Mr. Stafford asked if they were aware that once this levy is set, it is set. He said that what they peg it at today is basically what you will live with from here with the exception of the annual growth factor and some opportunities to appeal. Mr. Creech acknowledged that they are nervous because they have not prepared a budget before. He said he is sure there is something they are forgetting, but they have prepared themselves as well as they could.

Mr. Christian asked if they have employees now that would transfer over to be working for the town. Mr. Daily explained that the maintenance of the park and the police need some part time help. He said that the park needs to be upgraded and cleaned up. Mr. Daily added that when the school closed up, they took a lot of the equipment and the playground materials with them. Mr. Christian asked if once the Town begins developing personnel and maintaining payroll, if those responsibilities will remain with the Township or will they go to the Town. Mr. Daily said they have not decided that yet, but at the present time the Township is contracting it out and they will probably do the same. Mr. Christian stated that the responsibilities are going to belong to the Town, so they will start incurring the cost of maintaining the town. Mr. Stafford added that when you form a town you are taking on a level of administrative responsibility that is much different than functioning as an unincorporated community. He asked if they were prepared to take that on and if they know what they are getting into. Mr. Daily replied that they decided they were prepared a long time ago to take on the responsibilities associated with running an incorporated town. Mr. Creech acknowledged their comments and stated that he felt something needed to be done, so they have accept the responsibilities and move on. Mr. Stafford asked Mr. McLean if the Board and DLGF had received any communication from Shelbyville. Mr. McLean stated that there were no objections to Fairland's budget, but he has does not recall speaking with anyone in Shelbyville's government about the Town of Fairland. Mr. Daily asked if that is something that they would normally do, that is object to the reinstitution of the Town or the appeal for levy funds. Mr. Stafford responded that if he were Shelbyville, he would have questions about what Fairland is doing. However, it is not Fairland's responsibility to address that for Shelbyville.

Mr. Giffin commented that admires them taking on these responsibilities and hopes that the Board will support them as much as they can.

Motion: Mr. Giffin made a motion to recommend approval of the tax levy as submitted for \$39,000. Mr. Stafford seconded the motion.

Motion passed by a vote of 5-0.

Greenfield Fire Protection Territory

Hancock County

Initial Levy

Summary: The City of Greenfield and Center Township of Hancock County have formed the Greenfield Fire Territory. They are seeking an initial levy for the unit. They have estimated the AV at \$883,686,450, though this is not yet certified.

The Civil Town of Greenfield in 2007 (most recent data) had no levy for fire and a total General Fund levy of \$4,983,179, from which it may have been making payments to the Township for fire protection. The Township had a fire levy of \$60,543 and a rate of .007.

Advertised: \$5,167,018 (max levy \$6,214,188)

Present for hearing: Buzz Krohn, Partner/CPA with O. W. Krohn and Associates; (James) Jim Roberts, Greenfield Fire Chief; Larry Breese, Clerk-Treasurer; Robin Lauder, Center Township Advisory Council; Kelli Wilson, Consultant with O. W. Krohn and Associates; Brad DeReamer, Mayor of Greenfield.

Comments: Mr. Christian reviewed the details of their petition. Mr. Krohn stated that the business plan that they have presented to the Local Government Property Tax Control Board (LGTCB) was prepared over the 8 months prior to the hearing, before the formation of the fire territory became really serious. He shared some of the reasons why they are forming this fire territory: 1) they want to ensure there is a dedicated funding stream for fire protection in the City of Greenfield and Center Township and 2) they want to make the tax burden more evenly distributed. He stated that about two-thirds of the population they cover lives in the city, and the other one-third lives in Center Township. He stated that under the past contract, there has been quite a bit of disparity in the distribution of the tax burden for fire protection with about two-thirds of the population paying about 92% of the costs.

He said that the total levy they are requesting is not much different from what the city's current designated fund and noted that in the future the needs of the fire territory would not take away from the City's needs or vice versa.

Mr. Krohn introduced Mr. James Roberts, the Fire Chief. He gave an overview of the Greenfield Fire Protection Territory versus what the City offers. Mr. Roberts stated that they would need to add two firefighters and one admin assistant and staff. He also shared that the fire territory would contract with St. Vincent's to provide paramedic education program for the fire territory. In addition there would be an increase in pay and line item increases in their budget. He said that with growth in territory they are seeing needs in the future such as a full time fire inspector. The greatest change

they anticipate as indicated by Chief Roberts is the equipment replacement fund, so they have the ability to purchase equipment as they need it. Mr. Roberts also explained that the territory has a number of pieces of apparatus that are a few years away from needing to be replaced.

Mr. Stafford asked how much is not that much of an increase over what people are paying now. Mr. Krohn stated that the budget for the fire territory is a little less than \$4.2 million as compared to the \$3.9 million budget for 2008, which includes the cost of benefits. Mr. Christian confirmed the amount of the budget for 2008 at \$3.9 million. Mr. Krohn concurred. Mr. Christian asked how much Center Township was paying. Mr. Krohn said that Center Township was making \$198,000 in contract payments, which was part of the \$3.9 million. Mr. Krohn restated that the \$3.9 million was not a conspicuous number looking back at what showed up in the council budget versus the fire budget; there insurance and employee benefits costs that did not show up in the fire budget, but were paid from other parts of the Council budget. He said that there is a \$250,000 increase from 2008 to 2009.

Mr. Christian asked what they anticipated the tax rate would be. Mr. Krohn did not have an answer to provide. He said that they do not know what the impact of House Bill 1001 or the homestead deduction will have on the tax rate, but if they use the old numbers from the Executive Summary. If everything were funded by property taxes taxpayers would have been paying about 35 cents; however some of that is funded by CAGIT or other contracts. The net amount funded by the tax rate on the city side is about 23 cents. Mr. Krohn pointed out that there is a comparable impact on the Center Township folks. Mr. Christian stated that there is about a 16 cent increase for the Township and .53 cent reduction for the City. Mr. Krohn concurred.

Mr. Stafford pointed out that in addition to that, there will be a new rate attached to the replacement fund, which will be new for everyone, making it about the same for the town ship and that much more for the city. Mr. Krohn said that is correct. Mr. Stafford asked Mr. DeReamer, Mayor of Greenfield if that was about right. Mr. DeReamer replied that the rates sound fair and up until now it have not been.

Mr. Christian asked if there was any remonstrance. Mr. DeReamer replied that there was not. Ms. Lauder stated that there was one Board member who objected and she explained that the member felt that with the recent passing of House Bill 1001, and she thought they should take more time to look at it.

Mr. Jones asked the group to look at section 3 where they are talking about the tax rate. He wanted to know if his impression was correct, that there would be 2 different tax rates. Mr. Krohn said no, there would be unified rate. Mr. Roberts said he spoke with Dan Jones, who said the DLGF would want unified codes.

Mr. Stafford remarked that the Greenfield Fire Protection Territory has entered into an inter-local agreement which allows for different rates, but it just so happens for that these two rates will have the same number. Mr. Jones asked why they decided to do a fire territory versus a fire district. Mr. Roberts replied that he thought the fire territory would be more fitting for them, allowing them to be governed by the same body as it was his understanding that they would be governed by a different body as a district.

Mr. Jones asked if the City of Greenfield Council would be responsible for reviewing the fire territory's budget and approving the rates and levies each year. Mr. Roberts replied that it would,

and the Township would have some say-so on that as well. Mr. Christian asked if the township owns anything. Mr. Roberts said that the equipment is owned by the City, though at one point in time it was owned by the Township and then it was deeded to the City.

Mr. Bozyski asked about the two-thirds of the tax payers who live within city limits, and if they will not see an increase change in their tax rates or would it just increase for the township. Mr. Krohn said that would be correct. Mr. Christian restated the information shared earlier that the increase for the township is right around 16 cents.

Mr. Jones stated that he had a couple of suggestions. He stated that on the matter of the budget, for machinery and fixtures, there was \$156,000 allotted and an equipment replacement fund of \$300,000. He wanted to know if this would be allotted annually. Mr. Breese said that they have pulled out the \$300,000 on the current proposed budget. Mr. Roberts stated that some of the amount is for axes, hoses, fire gear, etc. He stated that replacement is for capital purchases like trucks, etc.

Mr. Stafford remarked that there is not enough information to make a motion; they only have a budget number, but no levy number has been provided. Mr. Breese said they would have \$500,000 from EMS and contract payments, which would be the only additional income they would have outside of property taxes and CAGIT's, for which the net amount would be \$3,675,000. Mr. Stafford asked if that included the replacement fund. Mr. Breese said that it did not.

Mr. Jones asked if \$2,403,813 was their proposed levy. Mr. Krohn and Mr. Breese said that it was, assuming that property taxes and CAGIT's are the same. Mr. Jones said there was nothing entered for the FIT line or the licensed excise tax. Then he went through City of Greenfield general fund budget and the fire territory would receive \$297,000. Mr. Jones asked if there was any reason they would not receive those funds this year. If not, he said he would take the levy amount they gave and back out the \$300,000 to come up with a suggested levy amount. Mr. Jones did note that the City of Greenfield's budget as well as the Township's budget would be reduced, though he was unable to say how much.

Motion: Mr. Jones made a motion to recommend approval of a levy for the Greenfield Fire Protection Territory in the amount of \$2,048,071.00.

Further discussion: Mr. Giffin asked the representatives from the Fire Territory if they understood the amounts that were taken out of the amount they proposed. They indicated that they understood

Mr. Stafford seconded the motion.

Motion passed by a vote of 5-0.

Mr. Jones said that he thinks there should also be a motion for the equipment replacement fund, and confirmed that the Unit was proposing a levy of \$300,000 for this and that they would receive CAGIT and other revenues. Mr. Stafford asked if there is a limit on the rate in the statute. Mr. Jones said he believed the limit to be 3.3 cents and noted that the Unit's suggestion was 3.9 cents.

Motion: Mr. Jones made a motion to recommend approval of a levy for the equipment replacement fund, not to exceed \$300,000. Mr. Stafford seconded the motion.

Motion passed by a vote of 5-0.

Springfield Township
Allen County
Township Assistance

Summary: The unit is one of several in Allen County that is working its way through cash flow challenges associated with the economic downturn. It appears the unit has a \$424,500 loan outstanding from 2007.

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| Amount Requested | \$15,000 |
| Tax Increase Needed | 0.500 |
| Current Tax Rate for the District | 2.2313 |
| Tax Increase as Percent of District Rate | n/a |

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| January 1 Cash Balance | \$22,775 |
| Plus: Current Year's Certified Tax Levy | \$3,789 |
| Plus: Estimate of Current Year's Revenue | \$319 |
| Total Funds Available for the Current Year | \$26,883 |
| Less: Encumbrances | \$0 |
| Less: Current Year's Expenditures | \$40,000 |
| Remaining Funds | \$(13,117) |
| Advertised Year's Budget | \$25,000 |
| Adopted Current Year's Budget | \$25,000 |

Publication: 07/30/2008

Hearing: 08/12/2008

Date Adopted: 08/12/2008

Present for hearing: Bruce Amstutz, Springfield Township Trustee

Comments:

Mr. Christian remarked that he is requesting \$15,000 in Township Assistance. Mr. Amstutz said things got bad the first half of the year, but the last four months have been much better, but we still feel the need to have the assistance. Mr. Amstutz said his field representative Mr. Helton suggested that he go through with the request for township assistance as it is likely that they will see the effects of the Township getting caught up in the crunch of the lay offs.

Mr. Christian asked Mr. Amstutz to elaborate what he meant by "it is not real bad." Mr. Amstutz replied that the Township originally requested \$25,000 and that was reduced to about \$23,400 and through October they had spent about \$22,000, so they had some left over. He said there was paperwork submitted for an additional appropriation of \$15,000 was reduced to about \$3,500. Mr. Jones asked about their original budget of about \$23,300 and the current estimate of his total budget that was at \$40,000. Mr. Amstutz said about halfway through the year, he thought he was headed in that direction because they used close to \$20,000.

Mr. Stafford referred to page four, question six, and asked about the history of what has happened to the township assistance fund. He asked if it was the case that they went three years without a levy and how that happened. Mr. Amstutz said it cut out because the Department of Local Government Finance (DLGF) kept telling him that he funds to cover that. Mr. Amstutz remarked that he felt that was part of his problem today, because i. If we had had a small levy those three years, he would have some cash built up to get them through this lean time. Mr. Stafford asked how much cash was in the fund as the Township went into 2008. Mr. Amstutz replied that they went into 2008 with about \$5,000. Mr. Stafford confirmed that the Township has about \$30,000 for this year and will spend

that. Mr. Amstutz agreed. He said if the LGTCB denied the Springfield Township loan, they would end the year at about \$0 with a little one way or the other. Mr. Stafford asked him what he thought the Township would get. Mr. Amstutz stated that the map says \$145,000 for everything, so it will be matter of what we will fund and not. This is why George suggested going on with this, because they are going to need some funds next year. Mr. McLean said then they can raise the debt service rate.

Mr. Stafford said that it appears that those three year were a benefit to tax payer, but a detriment for the fund. He said that he is not sure \$15,000 is the appropriate number. Mr. Stafford said that when Mr. Amstutz filled out the petition, \$15,000 seemed appropriate. He wanted to know what Mr. Amstutz thought would be helpful now. Mr. Amstutz said that the Township is already borrowing money for the firefighters. He said that he put the whole thing together and things changed. To answer Mr. Stafford's question, Mr. Amstutz said that as he looks at the numbers \$10,000 would be good, but \$15,000 would be better or he will have to come back next year.

Motion: Mr. Stafford made a motion to recommend approval of a township assistance loan for Springfield Township in the amount of \$10,000. Mr. Giffin seconded the motion.

Motion passed by a vote of 5-0.

Kankakee Township

LaPorte County

Emergency Levy Appeal

Summary: The Trustee has declared a fiscal emergency due to a rewards program the unit has had in place for a number of years for retiring firefighters. This will contribute to a \$45,000 deficit. In addition, the Trustee estimates that the rising cost of fuel will add another \$15,000 in unexpected expenses.

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| Advertised: | \$60,000 in the Fire Fund |
| Requested: | \$60,000 |
| AV | \$119,000,000 (2008 estimate) |
| Current Rate: | .0449 (2007) |
| Rate with levy: | .1400 (2008) |
| Current levy | \$70,526.00 (2007) |
| Projected levy | \$116,856.00(2008) |

Present for hearing: UNIT DID NOT APPEAR

Comments: Mr. McLean returned to the Kankakee Township topic. He said that it is his opinion that the appeal amount is to fund a program that is intended to help in the retention of firefighters. He said that their appeal is for \$60,000; however, since they submitted it, fuel costs have dropped. Mr. Jones asked if both appeals were for the fire fund. Mr. McLean stated that they were. He explained that a deficit was created due to a retirement plan for volunteer firefighters. He said that it has been an ongoing offering. Mr. McLean said this would mean a 10 cent increase and explained that there were more people retiring than the number for which leadership had budgeted. Mr. Bozyski asked if he mentioned if the number would grow. Mr. McLean said the Trustee did not indicate.

Mr. Jones said the Township can do a firefighting borrowing since the passing of 1001 last year, with permission of the Township Board. He said that he did not see where the emergency is, and that this was a self-inflicted deficit. Mr. Stafford stated that he was in agreement.

Motion: Mr. Stafford made a motion to recommend denial of the petition from Kankakee Township, stating that there was no evidence of an emergency. Mr. Jones seconded the motion.

Motion passed by a vote of 5-0.

Union City

Randolph County

Annexation Appeal

Summary: The unit is requesting a levy of \$100,000 because of the anticipated increase in costs of extending services into newly annexed areas. They state that the newly annexed area is 270 acres and an additional 12 acres that are all zoned for commercial, business, or industrial use. It was acquired for further economic and developmental growth.

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| 2008 Net AV | \$71,009,220 |
| Unit Rate Impact | 0.1408 |
| District Rate impact | 0.0290 |

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| 2008 Levy (all funds) | \$1,726,591 |
| 2009 Proposed Levy (all funds) | \$2,313,551 |

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| Advertised Excess Levy, General Fund | \$400,000 | 09/02/2008 |
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Present for hearing: DID NOT APPEAR

Comments: Mr. McLean said that he heard from Union City and due to a scheduling conflict they would be on the schedule in December.

Town of Chesterton

Porter County

Annexation Appeal

Summary: The unit is seeking a total of \$860,583 in excess levies for their General Fund, MVH, and Parks and Recreation to extend municipal services over areas they intend to annex.

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| 2008 Net AV | \$789,410,859 |
| Unit Rate Impact | 0.1090 |
| District Rate impact | 4.21% |

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| 2008 Levy (controlled funds) | \$3,768,255 |
| 2009 Proposed Levy (controlled fun funds) | \$4,764,347 |

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| Advertised Excess Levy, General Fund | \$860,583 | 09/02/2008 |
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Present for hearing: Robert Welsh, Town Attorney; Sharon Darnell, Town Council member; Gayle Polakowski, Clerk-Treasurer; John Orlich, Chesterton Fire Department; David Cincoski, Town Council member; Paige Gregory, Umbaugh Consultant.

Comments: Ms. Gregory gave an overview of the Unit's request, the pertinent annexations, Olsen Farm I and II and Coffee Creek Crossing, for which the current levy is not adequate to fund, as well as their overall financial situation. She stated that with the levy increase they would be able to end 2009 with a reserve of 8.6% in their General Fund. Even with this projections reflect a deficit in the budget ending 2009 and so the Town will need to decrease expenses or find an alternate revenue source. Ms. Gregory clarified that the Unit is asking that the levy increase of \$860,583 be phased-in over a three-year. For this she provided the breakdown for the increases for each of the next three years. Mr. Christian asked what the tax rate increase would be. Ms. Gregory indicated that that information would come later in the presentation. Ms. Gregory continued and reviewed the total projected cost for the 3 years and what would be included; for example 12.75 employees would be hired and the next largest allocation would be capital outlays.

Mr. Christian asked Ms. Gregory what the build out would be. She replied that on Olsen Farm I and II build out would be two years, and on Coffee Creek build out would be one year. Mr. Christian asked if there were some legal issues surrounding the development of Coffee Creek at one time. Mr. Welsh replied that there was an issue from a vendor to a purchaser, but not related to these properties. He said that the litigation is between private parties.

Mr. Christian asked if the properties were south of 149 and the Creek area. Mr. Welsh replied that all of the property they are speaking about is south of the Creek area, however, the legal dispute did not involve the properties being discussed today.

Ms. Gregory stated that Olsen Farm I and II were mostly undeveloped and would begin development in 2009. In addition, she shared that Coffee Creek Crossing was mostly undeveloped with some residential and agricultural development and would be built out by 2011. She said this would mean a 6% increase in tax rate. Ms. Gregory explained to the LGTCB how this would happen. She indicated that for the Town of Chesterton, which has the highest rates of the three districts, there would be an increase of 1.3% in the district rate. She then explained what this would mean for a family in this area with a home at the median value of \$155,000 as for 2008 would have a \$19 annual increase in their taxes or less than \$2 a month.

Mr. Christian asked about the annexed area. Ms. Gregory said there are not a lot of people. She reviewed slide 10 to show the variance in tax impact based on varying property values.

Mr. Stafford asked if all of these rates were apples to apples, he wanted to be sure the homestead reduction had not been factored in to the rates being presented. Ms. Gregory said she had not factored that in with the taxing unit rates since she does not know what that is going to be.

Ms. Gregory reviewed the remaining slides which included class values, operating balance, as well as the historical and estimated tax rates from 2005 – 2011, historical and estimated AV, and the circuit breaker impact. Then she reviewed what the impact would be with or without the levy phased-in over 3 years 2008 – 2010.

Mr. Christian asked what the population is. Ms. Gregory replied that for Olsen Farm the population is 0, for Coffee Creek it is 6, and for Chesterton, the population is 10,488. Mr. Stafford asked when these areas were first assessed. Ms. Gregory responded they were assessed in March 2008, pay 2009. Mr. Stafford stated that properties came in low when assessed because they were assessed undeveloped. Ms. Gregory concurred. Mr. Stafford asked what will happen if these areas do not develop as quickly as expected. Ms. Gregory responded that with the phase-in it may be that they do not even have to ask for a future levy in 2010 or they may be able to true that up. Mr. Stafford said that if it does not develop as anticipated, they will not need the money as laid out in their plan. Mr. Christian asked if they had an objection petition. Ms. Gregory replied, yes, there were sixteen taxpayers who signed and they had three major objections: 1) that the development has not even started; 2) the developers should pay for some of the costs being passed on to the taxpayers; and 3) the leadership was creating a wish list when putting together their 2009 budget.

She remarked on 1) that they have to anticipate costs when annexing an area; on 2) that she was not under the impression that developers pay for the services being provided to the annex areas, only for infrastructure; and 3) the Town's request matches the fiscal plan. She added that no taxpayers showed up to the public hearing to object. Mr. Jones asked if they had received findings of determination. Ms. Gregory indicated that they had not.

Mr. Christian asked how sure are the Town is that this will build out. Mr. Welsh said that the developers associated with these projects have had a number of successful developments. He said that they bought this using cash several years ago, and they have been well capitalized and able to wait their way through this. Mr. Welsh added that this was a voluntary annexation on their part. Since they own the property outright and have been well capitalized in this development and others that they have undertaken, the Town takes their commitment to this development seriously. Mr. Christian asked if this was the Olsen Farm and the Coffee Creek Crossing property to which he was referring. Mr. Welsh said, no that he did not believe the Gaskevitch family to be involved in the Coffee Creek Crossing development.

Mr. Christian asked for more information about Coffee Creek. Mr. Cincoski said this was a different developer. Mr. Christian asked if on a scale of 1-10, how comfortable they would say they are with this build out taking place. Mr. Cincoski said that he also runs the Building Fund in Chesterton and he has already had interest. The other properties built out in less than a two year timeframe. Mr. Christian acknowledged his response. Mr. Welsh stated that the Gaskevitch's were buying from the Olsen Family and part of the agreement was that it would be annexed to Chesterton and there would be no refund of their money. Mr. Welsh pointed out that this stipulation gives some indication of their level of faith in the development of this area. Mr. Christian stated that because of the amount of credit and issues out there has been no change in people's commitment, but it has changed the timetable to fulfill what they set out to do. Mr. Welsh stated that for the Gaskevitch's their timetable has not changed. Mr. Christian said that was good to hear.

Mr. Jones asked about the annual property tax revenue. Ms. Gregory said it was \$517,000 in the first year, the second year is \$234,736 and the final year is \$108,722. She said that the Town has EDIT which goes into a separate fund, but they do not have COIT or CAGIT. She added that they are still going to end up with a deficit in 2009. Mr. Jones then asked if they had an estimate of the assessed value (AV). Ms. Gregory said that the AV for the annexed area is \$55,000,000. Mr. Jones asked if this property had been TIF'ed or abated or if there were plans to do so. Ms. Polakowski said that they had not and there were not plans for it.

Mr. Stafford asked if the plan in the handout before the LGTCB was consistent with what is outlined in their fiscal plans. Ms. Gregory said that it was to some extent, because they changed some of the details of the numbers of positions were changed, but the overall totals match. The reason this happened was because they put together their fiscal plan before they knew a phase in was possible.

Mr. Stafford stated that as he reviewed the fiscal plans, it was clear that an annexation appeal was anticipated. He asked about the two council members that were present with the Town and asked if either of them was on the board at the time the proposals were approved. Ms. Darnell and Mr. Cincoski replied yes. Mr. Stafford asked if they knew at the time that there would be a tax increase for the citizens of Chesterton. Ms. Darnell stated that they knew at the time of the annexations that the costs would be close.

Mr. Stafford asked if Chesterton would be back for a growth quotient appeal, based on the AV from any of these annexations. Ms. Gregory said that she had not discussed that with the Town yet. Mr. Stafford said that would be double-dipping. He then commended whoever did the fiscal plans because they are consistent with what was presented, though they were a little front-loaded and could have been a bit more leveled out. He said that it is going to take a while to get going and there won't be much there to serve in the earlier months. In response to this Mr. Cincoski said it takes a while to get people hired and trained, and they are trying to be proactive.

Mr. Bozyski asked about the Coffee Creek Crossing development, which would not to start until 2010 and asked if the Town had received any commitments from businesses. Mr. Cincoski said that developers recently approached the Town to amend their PV ordinates, because they were running into problems with getting commitments, because of stipulations on the land use. The land carried an R-1 zone classification was not helpful for a commercial developer. He said that has recently changed.

Mr. Bozyski said currently it is up in the air as to the mix of residential and commercial occupants for the Coffee Creek area. Mr. Cincoski replied that it is currently outlined in the ordinance to be commercial.

Mr. Stafford confirmed with Mr. Cincoski that nothing was going to happen in Coffee Creek in 2009, referencing a portion of their proposal that indicates firefighting and other costs associated with the area. Mr. Cincoski said that they were already servicing that area, because it has some industrial as well as residential properties. Mr. Stafford said he still thought they front-loaded this thing. Mr. Cincoski acknowledged Mr. Stafford's concern. Mr. Christian asked what led them to believe this area, Coffee Creek Crossing, is going to build out in 2010 and be fully built out by 2011.

Ms. Darnell said they had a commitment from American Water take a small portion of this because of the importance of the property. The inquiries that have been made there have included medical and high-end retail because medical is coupling with retail as a form of backup for families. Ms. Darnell went on to answer the question about commitment to the project. She stated that the developer, given their level of investment, the likelihood of them walking away, knowing these individuals, is pretty unlikely. She said she is familiar with their success rates on similar projects and bases her belief on the build out of this area on that.

Mr. Stafford asked when they anticipated getting their 2009 budget order. The Town Council members said they had no idea. Ms. Darnell said they had just received their 2008 budget order.

Mr. Stafford said if the budget order takes a number of months and this is not building out as they had planned they should be willing to work with the DLGF to make new arrangements to benefit the taxpayers.

In response to a question from Mr. Stafford on the response of the DLGF to situations such as this, Mr. Jones said that what the DLGF does in the order is that they would go to something similar to this with a phase-in.

Motion: Mr. Stafford made a motion to recommend approval of annexation levy appeal in the 3 year phase in, in the total amount not to exceed an aggregate amount of \$860,583. Mr. Stafford added that he would leave it to the DLGF, Commissioner and the Town to work out the appropriate annual amounts for the years of 2009, 2010 and 2011, dependent on the progress and information provided for all entities involved, because he believed there would be more information available at a later day as they go through the budget order process.

Discussion on the motion: Mr. Jones asked if the amounts for each year would be based on cost or fiscal plan. Mr. Stafford said he would base the decision for the amounts on progress of the build out. He added that if it goes as they have outlined then he has no problem with the schedule, but if there are delays, then, there should be adjustments to the schedule by the Department. Mr. Christian stated that he has the same concern.

Mr. Bozynski seconded the motion.

Motion passed by a vote of 5-0.

Town of Ellettsville

Monroe County

Three-Year Growth Appeal

Summary: The unit is requesting a \$60,000 three-year growth appeal.

| Max Levy | Requested | Advertised | Worksheet |
|-----------------|------------------|-------------------|------------------|
| Civil | \$60,000 | \$60,000 | \$Unknown |

Appeals History: None

Tax Rate Impact:

| Appeal | Unit's Rate (2008) | Unit Rate (2009) | Unit Increase | District Increase |
|--------|--------------------|------------------|---------------|-------------------|
| N/A | .4100 | .6200 | .0324 | .0123 |

The DLGF is not prepared to review the unit's equations. The statewide growth factor has not yet been determined

Present for hearing: Sandra Hash, Clerk-Treasurer.

Comments: Mr. Christian stated that the Town's request is for a \$60,000 three-year growth appeal. Ms. Hash said that she advertised for the \$60,000.

Ms. Hash shared that the Town has continually grown and they are growing out of their money. She stated that they have hired an additional police officer, who is currently in the academy and there have been other increases in personnel over the last few years.

She apologized about the presentation of the Town's financial information. She said she has always inflated her line 11 on her operating balance. She said if she took the amount of levy they received this year and added the 4% annual increase, then that will leave only be \$41,312 as the operating balance, instead of the \$60,000 on the appeal. She stated that tax rate would then be 3.3774%. Ms. Hash commented that fuel has played a part in creating the need for this appeal. She added that the police officer's salary is \$37,700, with \$21,000 for benefits and the police asked for a \$20,000 increase in their gas line. She said the rate would get them back to what they were in 2006.

Mr. Stafford asked what caused the growth. Ms. Hash said there were several annexations, new additions that were undeveloped, and with a town their size they had a hard time assessing what the cost would be to them. She said from 1990 – 2000 Ellettsville grew by 35% and there would be quite a bit of growth for these next ten years. Mr. Stafford asked if this was the first time they had a growth factor appeal. Ms. Hash replied no, but not since 1992 when I started as the Clerk-Treasurer.

Mr. Jones asked what type of levy she expects to receive in 2009. Ms. Hash said if the appeal is approved, it would be \$697,272, a 3.774% rate of tax increase. She said they would not retain the operating balance; it would go way down for 2009.

Mr. Jones asked what the county's recommendation was. Ms. Hash said she before the county council and there were no remarks. She said the Town council is all new as of last year, and they are aware that they will have to watch the budget a little more closely. Ms. Hash added that this year, the budget process was quite painful, because everyone was new on the Town Council.

Mr. Jones noted that there would be about a 10% increase in their levy with the appeal. Mr. Bozyski asked about benefits package for the officer, which was about 60% of his salary. Ms. Hash stated that about \$11,000 of that was just for health insurance and Town pays about 11% for PERF and then there would also be social security included in that.

Motion: Mr. Jones made a motion to recommend approval of the three-year growth appeal of the Town of Ellettsville for \$60,000. Mr. Stafford seconded the motion.

Motion passed by a vote of 5-0.

City of Noblesville

Hamilton County

Three-Year Growth Appeal

Summary: The unit is requesting \$932,900 for a three-year growth appeal.

| Max Levy | Requested | Advertised | Worksheet |
|-----------------|------------------|-------------------|------------------|
| Civil | \$932,000 | \$1,200,000 | \$Unknown |

Appeals History: annually

| | | | | |
|-------------------------|--------------------|------------------|---------------|-------------------|
| Tax Rate Impact: Appeal | Unit's Rate (2008) | Unit Rate (2009) | Unit Increase | District Increase |
| N/A | .5712 | 1.0200 | .0447 | 1.77% |

The DLGF is not prepared to review the unit's equations. The statewide growth factor has not yet been determined.

Present for hearing: Mike Reuter, Consultant; Janet Jaros, Clerk-Treasurer; Rusty Bodenhorn, Administrative Officer.

Comments: Mr. Reuter reviewed their proposal. He said that it illustrates that the last six years has a resulted in a 1.04% factor

He said that in fact the City of Noblesville is growing much more rapidly than the chart indicates. He added that there was included in the packet a reconciliation of the assessed valuations and what those are expected to be in the future. He pointed the LGTCB to the information provided about 2004 where is shown a little less than 5% increase. He said that the appeals on the reassessment from 2003 offset the growth. Mr. Reuter went on to walk the LGTCB through their paperwork which included information on the City's growth and tax rates, as well as changes in pensions, assessed valuation, and the impact of the homestead deduction.

Mr. Stafford asked whether the corporate campus area is entirely TIF'ed. Mr. Reuter replied that it is and there are about 3,700 acres, but they are not included in the AV. Mr. Stafford asked if the City of Noblesville has had any other annexation appeals in the last three years. Mr. Reuter said no. Mr. Stafford asked if in the annexations made by the City of Noblesville was there substantial assessed valuation that came into the area due to those annexations. Mr. Reuter replied that there was not. Though he did point out that in 2003 there was the annexation of an area with assessed valuation of \$39 million. Mr. Stafford asked if these were double-counted in the three-year growth appeal. Mr. Reuter said it should not be. Mr. Reuter reviewed with the LGTCB those factors that they were credited. Mr. Reuter said that the TIF, which is such a substantial area, because it has not received any assessed value, has put some additional strain on the City, but Mr. Stafford noted that that was a calculated move.

Mr. Jones asked if they have any projections in their information of their working balances. Mr. Reuter said that they did not have any on the sheets before the LGTCB. He said they will be allocating 91% of the COIT to general fund to balance the budget for this year. Mr. Reuter said that those balances have dropped dramatically in the COIT fund in recent years. He said that at the end of 2009, he believes they will have about \$1.847 million left in the fund. Mr. Jones asked how much was in their Rainy Day fund. Mr. Reuter stated that they estimated there would be \$1.847 million at the end of 2009 and \$2.79 million at the end of 2008.

Mr. Jones asked if this increase of almost \$1 million in their levy would contribute to the circuit breaker problem. Mr. Reuter said it would not, because their rate would have gone up some because of the TIF, however they only have to fund the TIF levies for the early years and as those rates come back off these rates being added from the appeal will replace them.

Mr. Stafford said that if this is denied, it will have a lesser circuit breaker impact and the rate will go down. Mr. Reuter commented that really what their asking is for the Board to allow the tax rates to remain flat. if Noblesville is denied the City would lose the dollars, but other units would pick it up.

Motion: Mr. Stafford made a motion to recommend approval of \$932,900 for a three-year growth factor appeal. Mr. Giffin seconded the motion.

Discussion on the motion: Mr. Jones commented that he is not entirely convinced that the City of Noblesville needs the appeal. Mr. Stafford asked if it was appropriate to ask that question now. Mr. Reuter asked if he could reply to Mr. Jones' question. He said that that the City went through extensive measures to cut the budget and increase revenue. He stated that the budget was reduced from its original form. He said this is not about entitlement, but it is just so that their budget can keep up with their demands. Mr. Reuter also added that the City's need far exceeds what they are requesting.

Mr. Stafford asked if the appeal were not approved, would the City implement a garbage user fee. Mr. Reuter stated that it has been considered and it generated a lot of conversation. There would be a greater loss in the second and third year by not allowing the levy to increase with the assessed valuation, which would have a much greater impact than the \$1million that is foregone by not implementing garbage fees. Mr. Jones asked how much revenues have grown in the last couple of years with the growth in assessed value. Mr. Reuter replied the City is now getting back to levels of COIT that it was at before.

In 2003 the distribution to the county was almost 84 million and it was 91 million in 2008 and next year it will be \$100,000,000 in 2009. Distributions have remained relatively flat for Noblesville percentage-wise.

Motion passed by a vote of 5-0.

Hobart Civil City

Lake County

Shortfall Appeal

Summary: The unit is seeking a levy of \$975,000 to cover the revenue from property taxes it did not get due to county shortfalls in 2007.

City of Hobart**Shortfall Appeal Calculation**

Budget Year:
2007

| Funds | Certified Levy | Actual Collections | Circuit Breaker | Difference | Rate |
|----------------|-----------------------|---------------------------|------------------------|--------------------|-------------|
| General | \$16,802,155 | \$12,587,270 | \$9,006 | \$4,205,879 | \$1.6949 |
| Park | \$382,242 | \$334,435 | \$245 | \$61,195 | \$0.0393 |
| Police Pension | \$488,283 | \$286,439 | \$205 | \$13,391 | \$0.0513 |
| Total Levy | \$17,672,680 | \$13,208,144 | \$9,456 | \$4,280,465 | \$1.7855 |

| | Errors | Refunds | Total | District Rate | Unit's Rate | % of rate | Unit's Portion |
|-------------------|--------------------|------------------|--------------------|----------------------|--------------------|------------------|-----------------------|
| District # 893011 | | | | | | | |
| hobart 018 corp | \$586,930 | \$362,345 | \$949,275 | \$3.8178 | \$1.7855 | \$0.4677 | \$443,955 |
| hobart 045 | | | | | | | |
| twmsp/school | \$71,962 | \$5,684 | \$77,646 | \$3.5226 | \$1.7855 | \$0.5069 | \$39,356 |
| hobart 046 ross | \$362,346 | \$547,137 | \$909,483 | \$4.0289 | \$1.7855 | \$0.4432 | \$403,058 |
| | \$1,021,238 | \$915,166 | \$1,936,404 | | | | \$886,370 |

| | |
|----------------|-------------|
| Actual | \$4,280,465 |
| Unit's Portion | \$886,370 |
| Advertised | \$975,000 |
| Requested | \$975,000 |

Present for hearing: DID NOT APPEAR.

Comments: Mr. McLean reviewed their situation and said the Unit indicated that they would not appear and would accept whatever decision the Board passed. Mr. Stafford asked about the need to have the Unit justify their need. Mr. McLean indicated that in the past units have not had to justify their need and the Commissioner typically makes the decision.

Motion: Mr. Stafford made a motion to move the appeal forward without recommendation. Mr. Giffin seconded the motion.

Motion passed by a vote of 5-0.

Mr. Christian stated that the next meeting would take place on Tuesday, November 25, 2008 at 10:00 AM in the same location. Mr. McLean stated that units have until November 20 to submit appeals, and until December 31 to file shortfall appeals. Mr. McLean proposed to gauge the flow of those appeals and divide them up between the two dates that are left for the Board to meet. The Board decided to keep the two remaining dates.

Mr. Giffin made a motion that the LGTCB adjourn at 12:33 PM.

Motion carries by a vote of 5-0.